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DP/PROJECTS/7409

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
BOLIVIA

IPF:(1992-96) $23 713 000

(BOL/91/010) - Support to the Technical Normative Management of MACA

Date of approval:	4 May 1992
Expected duration:	33 months
Proposed executing agency:	Food and Agriculture Organization of the United Nations (FAO)
Government implementing agency:	Ministry of Agriculture (MACA)
Proposed UNDP contribution:	$718 000 Source of funds: IPF
Government cost sharing:	$511 400
Third-party cost sharing:	$598 400 Source of funds: Government of the Netherlands
Total UNDP budget:	$1 827 800

Project background

The Government of Bolivia places great importance in the significance of the agricultural sector which contributes to 23 per cent of the gross domestic product and employs 40 per cent of the labor force. In addition, Bolivia has a population growth of 2.7 per cent while the agricultural production growth rate stands at only 1.3 per cent. Urban demand for agricultural produce is increasing as a consequence of both population increase and rural urban migration, causing valuable foreign exchange to be spent on basic food imports. Self-sufficiency being a top development priority, the present Government is compelled to consider the situation critical and to foster this sector's development.

Institutionally, the Bolivian agricultural sector is characterized by an excessively centralized bureaucracy, inefficient use of technology, and limited operational capacity. The Ministry of Agriculture (MACA) itself has no overall long-term strategy and/or sectorial policies, little developed technical capacity either within the Ministry nor in the field, and possesses insufficient managerial or administrative systems that allow supervision and control of the agricultural sector within the country's various departments. Technical assistance to the agricultural sector is currently a function of either individual projects funded by international donors or of smaller NGOs that have sprung up to cater to very specific small-scale localities. At a national level, there does not exist any co-ordinated and functional institutional system that would satisfy the needs of the sector in any coherent fashion to ensure that agriculture is given the priority attention. To increase agricultural production and achieve self-sufficiency, the Government requested UNDP assistance under the present approval.

Description of project

The long-term objectives of the project are to: (a) achieve an efficient functioning of the administrative and technical structures of the Ministry of Agriculture and its

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departmental offices; and (b) manage and modernise the country's public sector.

The immediate objectives of the project are to: (a) create a multi-faceted system within the MACA; (b) establish a strategic planning capacity to improve the quality of operating and investment programmes; (c) develop a sectorial economic analysis system that will allow for a better understanding of the agricultural product market and behavior of specific macroeconomic indicators, monitoring of price trends, simulation of various agricultural conditions using models, evaluation of alternative policies, and relations with regional markets; (d) set up a statistical data and early-warning system which will provide ongoing processing of data for the prevention of disasters; (e) institute civil service reform which will allow the implementation of standard processes and procedures established earlier for MACA under BOL/88/021; and (f) establish an information management unit that will, on the basis of plans developed by the strategic planning unit, set up and operate data systems within the Ministry and its departmental offices.

These activities will be co-ordinated by the project which will act as a transitional body fitting into the organization of the Ministry. During its three-year life span, the project will be principally engaged in directing, co-ordinating and supporting activities required to set up the systems within the Ministry and its departments, and assisting Ministry officials in the methodological and operational aspects of institutional strengthening, such as the formulation, execution, and evaluation of related policies. The Ministry has agreed to budget in the longer term and on a gradual basis for the absorption of the required technical and administrative personnel needed to ensure sustainability of the project. The procedure to be applied for the recruitment of the line personnel is derived from the Civil Service proposals being reviewed by the Government and the World Bank.

Inputs

UNDP will provide a chief technical advisor (39 man-months), an international expert in planning (39 man-months), international consultants in the areas of analysis and formulation of policy, planning, agricultural development simulation modeling, early warning systems, processing of statistical data, and other fields to be determined (18.5 man-months), national experts in the fields of economic analysis, statistical systems, and international co-operation, public and personnel management (200.5 man-months), national consultants in investment, international co-operation, economic analysis, systems administration (37 man-months); equipment; and miscellaneous costs.

Financial data

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Personnel	1 582 200
Training	5 000
Equipment	157 500
Miscellaneous	83 100
Total	1 827 800

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